

Reform of department-wide budget performance in Zhejiang

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Comprehensive implementation of performance management

All encompassing

Full-coverage

Whole-process





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1 Reform background 

2 Existing conditions 

3 Reform progress 

1

The report of the 19th National Congress puts forward: **speeding up** the establishment of a modern fiscal system

Establish fiscal relations between central and local governments with clear powers and responsibilities, coordinated financial resources, and regional balance

Establish a comprehensive, standardized, transparent, scientific, and binding budget system to **comprehensively implement performance management**

Deepen the reform of the tax system and improve the local tax system

Opinions on the comprehensive implementation of budget performance management: promote reform to carry out the **department-wide and unit-wide budget performance management**

Strengthen the **ownership** of the departments and units to manage their own finance and grant greater autonomy to them.

Integrate departmental and unit budget revenues and expenditure performance management

1

Issues:



Inadequate awareness of performance and ownership



Inadequate width and depth of performance management



Ineffective incentives and constraints for driving performance

2

Existing conditions

1

**Leadership
commitment**

Strong commitment of the leadership from the provincial government and CPC party committee at the province

2

**Institutional
guarantee**

Budget Law
Regulation on the Budget Review and Supervision in Zhejiang
Policies regarding the set-up of modern fiscal management system
Internal control

3

**Supporting
infrastructure**

Budgetary expenditure standard system development
Project performance management
Whole-process performance management

3

Reform philosophy



Establish 5 institutions



Establish department-wide performance indicators and performance target system



Establish a global budgeting management mechanism linked to department-wide performance



Establish a department-wide performance evaluation mechanism



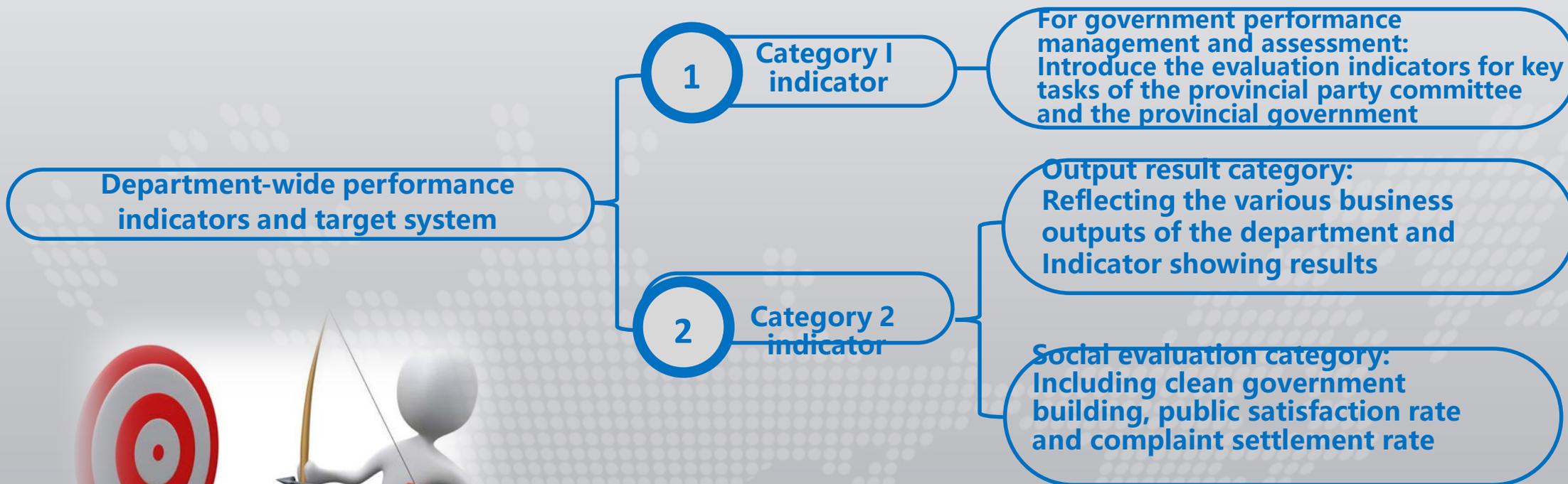
Establish a reward and punitive mechanism
For the department-wide performance evaluation



Establish an enabling mechanism to promote the reform of department-wide performance management



Establish department-wide performance indicators and performance target system

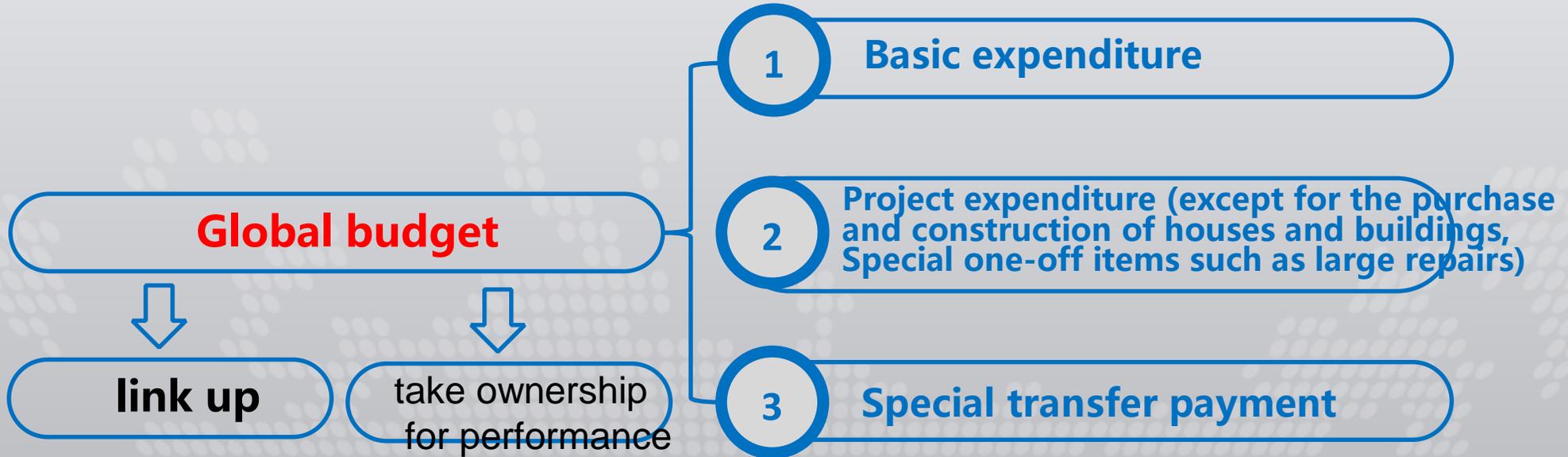


Set the overall performance indicators for the departments according to the principle of "one department, one set of indicators"





Establish a global budgeting management mechanism linked to department-wide performance



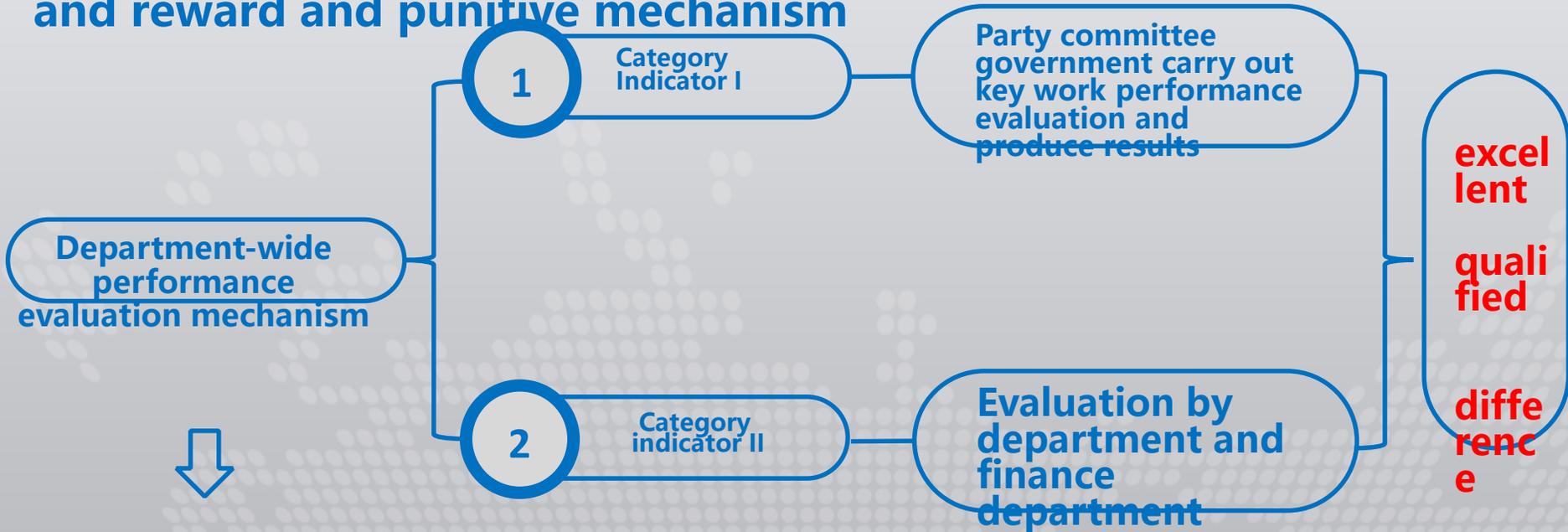
Choosing output indicators that are more relevant to the development of the department's undertaking

1. According to the existing budget management policy
2. According to the budget report requirements:
standardized
well-regulated
adequate





Establish department-wide performance evaluation mechanism and reward and punitive mechanism



Evaluation result reward and punishment

Excellent prize

Explore to link the mechanism of the department-wide performance evaluation with staff income increase or leadership promotion.





Establish an enabling mechanism to promote the reform of department-wide performance management

A clear division of labor

1

Government
performance assessment
agency

Key work performance
target
Key job performance
evaluation

2

Financial
department

System Design
Indicator system
Evaluation System
Link-up mechanism
Performance Evaluation

3

Department

Target preparation
Budgetary compilation
Budget execution
Performance self-
evaluation
Internal control

3

Pilot effectiveness

▶ "If it costs, it has to be effective"
The department's sense of responsibility and ownership has been significantly strengthened

▶ From "talking about money" to "talking about responsibilities"
Significantly improved financial budget management

▶ "If an expense is ineffective, accountability will be triggered."
Performance monitoring has been significantly strengthened



Thank
you

